

C46 2: Ma 4/8
PSU


ECONOMIC DEVELOPMENT ADMINISTRATION

TECHNICAL
ASSISTANCE
PROJECT

U.S. DEPARTMENT OF COMMERCE

FINAL REPORT
of
PROGRAM ACTIVITIES AND ACCOMPLISHMENTS
of the
MILWAUKEE SMALL BUSINESS
OPPORTUNITY CORPORATION





Digitized by the Internet Archive
in 2012 with funding from
LYRASIS Members and Sloan Foundation

<http://archive.org/details/finalreportofpro00tayl>

C46-2; MG 4/8
PSC #

FINAL REPORT
of
PROGRAM ACTIVITIES AND ACCOMPLISHMENTS
of the
MILWAUKEE SMALL BUSINESS
OPPORTUNITY CORPORATION

This technical assistance study was accomplished by professional consultants under contract with the Economic Development Administration. The statements, findings, conclusions, recommendations, and other data in this report are solely those of the contractor and do not necessarily reflect the views of the Economic Development Administration.

Corneff Taylor
Executive Director
3/31/67

I N D E X

Introduction and Summary	Page 1
History	Page 1
Recruitment	Page 2
Business Counseling	Page 2
Loan Activity	Page 4
Community Participation	Page 6
Management Training	Page 7
Business Opportunities and Urban Renewal	Page 8
Research	Page 8
Conclusion	Page 10

INTRODUCTION AND SUMMARY

Establishment of Small Business Development Centers to implement Title IV of the Economic Opportunity Act of 1964 was additional evidence that America was gradually becoming aware of the plight of a substantial segment of its population. Long neglected, long abused and in some instances, long persecuted and shut off from the mainstream of society, this group was the object of determined efforts to right wrongs and stimulate cooperative efforts for the future. The Milwaukee Small Business Opportunity Corporation program should be viewed and evaluated in this frame of reference. Acceptance of the challenge to help narrow the income gap between majority and minority groups and, hopefully, to revitalize the economy was a part of the basic philosophy of the MSBOC.

When evaluated solely on the basis of dollars loaned, the Economic Opportunity Loan program was not a notable success. At the outset, a single loan applicant to qualify for financial assistance, had to earn less than \$1,540 a year. This provision ruled out virtually all owners of existing businesses. Later the income criteria were liberalized to \$2,310, then \$4,040 (\$7,590 for a family of 7 or more). The change in income criteria resulted in more applicants, but not many more. It was difficult to find people who wanted to start new businesses, who made very little money and who, at the same time, evinced promise of success. It was this kind of situation that provoked the president of the National Business League to observe that Small Business Development Centers were placed in the position of "looking for the impossible man—a person who had (1) management ability, (2) good credit, (3) demonstrated ability to repay, and (4) who is in poverty."

However, if evaluated on the basis of community development, management training and counseling phases, the SBDC programs would have easily qualified as being the most successful efforts to reduce poverty.

HISTORICAL

The MSBOC was the direct result of efforts of the local Urban League and the Northside Community Inventory Conference and followed a community-wide conference on the Economic Opportunity Act of 1964, sponsored by these groups in January, 1965. MSBOC is a non-profit organization, incorporated under the laws of the State of Wisconsin. The primary purpose of MSBOC was to stimulate interest in new small businesses; expand and strengthen existing small businesses; provide guidance and counsel for small businessmen with a view to the creation of job opportunities, and stimulation of over-all economic growth.

In February, 1965, a proposal developed by the Honorable Henry S. Reuss, Congressman of the 5th Congressional District, officials of Office of Economic Opportunity/Small Business Administration, representatives of civic and business leadership in the near northside community, was submitted to the Area Redevelopment Administration of the U. S. Department of Commerce. The proposal requested funds to defray costs of initial planning and approval of a budget for the hiring of staff and other expenses incident to the operation of a small business development center. On April 20, the administrator of ARA advised that the request for technical assistance was approved and authorized \$5,000 to provide for initial planning and organizational costs. Meanwhile, a board of directors, selected in accordance with adopted by-laws (see Appendix A) assumed responsibility for management of the corporation. A volunteer screening committee began the job of screening and processing loan applications.

In June, 1965, a "kick-off" program was held during which time checks were presented to two applicants recommended to SBA for financial assistance.

On August 9, MSBOC was advised of approval of a budget of \$55,600 which had been requested for technical assistance to create employment opportunities through assistance to small businessmen. Later during the month, a director was hired and the MSBOC office opened. A full staff complement of director, business counselor, management training coordinator, secretary and receptionist was completed on January 1, 1966. Prior to opening the development center, office space, clerical assistance and supplies had been provided by the local Urban League.

ELIGIBILITY

The MSBOC program operated under a technical assistance contract with the Economic Development Administration of the U. S. Department of Commerce. Program operations were conducted within the

framework of policy guidelines for assistance to small businesses established by the Office of Economic Opportunity and the Small Business Administration. These guidelines suggested that applicants for assistance be residents of community action target areas as defined in Community Action Program applications to the Office of Economic Opportunity Assistance under Title IIA of the Economic Opportunity Act of 1964, as amended. (See map, Appendix B, delineating these areas.)

TARGET AREAS

Target Area "A" (see Appendix C) includes 26 census tracts on the near northwest side of the city. According to the 1960 U. S. Census Report this area held 12.5% of the city's population. For all practical purposes Target Area "A" is the city's prime ghetto. The U. S. Bureau of Census reported in 1960 that the percent of Negroes living in the 26 census tracts ranged from 94% to less than 1% and as high as 21% in census tracts immediately adjacent. See Appendix D for socio-economic characteristics of Target Area "A."

Information relating to the Target Areas "B" and "C" (Appendices E and F) was obtained from the Consumer Analysis Report of a local daily newspaper and relates to the number of households with annual incomes of less than \$3,000. Living in these areas are many Spanish-speaking citizens with different cultural patterns and customs.

Although limited, SBDC staff maintained office hours two half-days weekly in the office of the Inner-City Development Project, another community action agency located in the center of one of the target areas and close to the other.

RECRUITMENT

Shortly after the Center opened, it was apparent that many eligible individuals were either uninformed about the MSBOC program or unaware of benefits to be derived from it. In addition, there were many who were reluctant to seek help. This was not surprising since the program provided the first meaningful financial assistance to residents of target areas.

As soon as the eligibility criteria were liberalized, moves were made to reach every organized group and as many individuals as possible. Special feature articles appeared in the metropolitan and community press. A four-page illustrated supplement was distributed with an issue of one of the weekly newspapers. Additional copies of the supplement were furnished the Center for promotional purposes. Illustrated brochures, briefly outlining the aims and purposes of MSBOC, were widely distributed and posted in strategic places. Contacts were established with radio and television outlets known or thought to be most effective in reaching residents of target area neighborhoods. Response to these efforts was reflected in the acceleration of contacts with the Center.

BUSINESS COUNSELING

Section 401 of Title IV of the Economic Opportunity Act of 1964 states that "it is the purpose of this title to assist in the establishment, preservation and strengthening of small business concerns and improve the managerial skills employed in such enterprises; and to mobilize for these objectives private as well as public managerial skills and resources."

A need for emphasis on counseling and technical assistance was also contained in the recommendations of a preliminary report of a study of "The Negro Businessman in Milwaukee — North Inner Core" which was initiated shortly before the MSBOC office opened. (See page 12.)

For the period of this report, 1,412 persons received counseling, technical assistance and management training. Even though financial assistance was not involved, the economic increment to both the individual and community was immeasurable. A substantial percent of this number received continuous counseling and a small percent was counseled in depth on specific problems relating to their businesses. Perhaps the most satisfying phase of the MSBOC was in this area. For many applicants, counseling started immediately when an inquiry was made and continued during the period of processing the applications and following action by SBA.

A typically significant result was achieved with a body shop operator who had been in business approximately 12 years but whose business had declined necessitating a request for financial assistance. A



Art's Barber Shop, which has a unique feature - Sauna Bath.

A skilled craftsman at work - - Floyd Thomas, builder of furniture and custom interiors.



Fresh cuts to order - - Seidita Foods.



A & E Undercoating and Standard Service.
Henry Anderson, proprietor.



E. L. Walton, builder of toys and games of amusement.

study of the applicant's operation indicated that for one and one-half years he had tried to compete on a price basis in order to secure business. Underbidding and lack of knowledge of increasing costs were undermining his profit structure. Utilization of suggested sound estimating methods resulted in substantial increase in profits. Because of this, he was able to withdraw his request for a loan.

A majority of applicants for financial assistance were engaged in a service type business. Because of this fact, the counseling program had to be structured to take into account the customer to be served. Attention was directed to the fact that the degree to which the market for goods and services is recognized and exploited determines the course of direction and success or failure of the enterprise.

The most spectacular and unique experience in the area of counseling was with the recipients of the first loan which amounted to \$10,000. This loan was authorized in June, 1965 and, as of June, 1966, no repayment had been made. A report from SBA, dated February 11, 1966, stated "there is little prospect at this time that repayments on the loan will be made and the business has slipped back into its pre-loan condition." Listed as reasons why the business had declined were:

1. There is an apparent lack of management ability. Basic management principles, such as cash control, adequate financial reporting, inventory control, and expense control are found wanting.
2. Increased competition and cost of food have reduced patronage.
3. The original loan apparently was not adequate for borrowers' requirements.

It was the opinion of the SBA staff making the report that in spite of the above and several other factors, deficiencies could be overcome and the business strengthened.

As a result of joint SBA/MSBOC conferences with recipients, a program was worked out that involved a class in the Marketing Research Department of a local educational institution. A study of the business was undertaken to determine reasons why the recipients were failing as retail grocers.

The class was divided into five separate groups, each researching one aspect of the business. On the basis of the reports submitted, certain recommendations were made by each group. The class concluded that the following be given primary consideration:

1. Traffic flow and merchandise location should be given immediate attention and as additional funds become available, consideration should be given to improved lighting, redecorating and new fixtures.
2. Adopt an inventory and pricing policy which would be consistent with neighboring competitors.
3. The recommendation of changing the hours of store operation and offering more merchandise for sale had already been put into effect with good results. It was further recommended that the quality Italian specialties and warm personality of the owners be exploited as much as possible.
4. The use of flyers had been adopted and it was urged that this be continued. When additional funds become available, other recommendations can be implemented.
5. The final recommendation was the most important — to join a voluntary buying group which is an affiliation with one wholesale grocer. This would provide a source of merchandise at competitive prices, delivered to the store, as well as assistance in other areas of this report.

It was the opinion of the class that MSBOC recommend to SBA that recipients be granted an additional loan of \$5,000 contingent on the adoption of the above recommendations. As a result of this study and their recommendations, the store has increased its hours of operation, and improved its methods of buying. The store inventory was increased from \$2,800 to approximately \$6,000 and payments to suppliers on past due accounts were made. Credit rating has returned to normal.

LOAN ACTIVITY

Loan activity was irregular and reflected changes in policy relating to eligibility criteria. In the first six months of the program, loan activity progressed from a period of relatively few applicants to a flurry of activity. The acceleration resulted from liberalization of eligibility requirements and acceleration of recruitment efforts.



Fond Du Lac Avenue Shoe Repair Shop - - Anton Kolb, proprietor.

Exhibiting Spring styles - - Mrs. Izola Harris.



Manufacturer of golfing accessories, Chesal Industries, Saul Faber Corporation.



Retail merchandising - - James Jasper.



Upholstery cleaning - - Capitol Auto Service. James Pendleton, proprietor.

Following is an analysis of loan activity:

Total number of persons contacting this office	1,412
Total interviewed	726
Age Range — Between 20 and 40	53%
Between 41 and 67	47%
Employment Status — Employed	621
Unemployed	105
Assistance sought for existing business	387
Assistance sought for new business	339
Receiving public assistance	88
Not receiving public assistance	638
Requests for loan applications	203
Requests for counseling	535
Recipients of management assistance	318
38 loans approved, amounting to	\$306,600

The thirty-eight successful loan applicants included 10 grocery and restaurant operators, 4 barber and beauty shops, 2 manufacturing concerns, 5 auto repair and service stations, 2 truck owner operators, a podiatrist and ophthalmologist to start and expand their practices, 1 cabinet maker, and 12 general merchandise businesses.

The dollar value of loans approved was \$298,600. Of this amount, \$241,600 represents persons who are current in their repayments, \$15,000 represents persons who are two months in arrears in their payments, \$35,000 is in process of liquidation after some payments had been made, and \$7,000 represents deceased persons who had also made some payments.

COMMUNITY PARTICIPATION

Perhaps the most significant phase of the MSBOC was the cooperation of the local community with efforts to raise the economic level of small businesses. This was accomplished by means of one-to-one counseling by qualified persons volunteering their time and advice to help loan recipients and others needing this type of expertise. Members of MSBOC Board of Directors were very active in this phase of the program.

The Wisconsin Society of Certified Public Accountants and the Wisconsin Telephone Company provided a CPA for one-half day a week for counseling and the First Wisconsin National Bank provided the services of a loan specialist. These specialists in addition to counseling applicants for financial assistance were members of the Screening Committee. Other firms in the community as well as organizations arranged for use of the services of advertising and sales personnel, marketing help and other types of assistance as needed and directed by MSBOC. The economic impact of these services was considerable.

The Milwaukee B'nai B'rith Council created a sub-committee to cooperate with MSBOC by providing counseling assistance for small businesses. This committee, composed of legal, accounting, sales and advertising personnel, was placed at the disposal of MSBOC to offer one-to-one counseling to persons who were having difficulty meeting payments on loans.

Particularly gratifying was the help given a restaurant operator in the multiple problems of relocating, securing favorable lease arrangements and acquiring equipment needed on terms which could reasonably be met. Additional help was given a grocery store operator in legal advice and guidance in the maze of problems involved in the loss of the property in a street widening project and the time involved in relocation payments and related difficulties.

Another recipient was assisted in securing additional markets and uses for machines in his plant that were being operated on a seasonal basis. These are examples of the very fine community cooperation that MSBOC was beginning to develop which were producing results among the marginal business operators in the community.



Workshop on "Managing a Small Business," sponsored by the University of Wisconsin-Milwaukee, Extension Division and MSBOC at the Northside Y.M.C.A.

MANAGEMENT TRAINING

An additional technique utilized to implement Section 401 of Title IV of the Economic Opportunity Act was the participation of MSBOC staff, members of the Board, and volunteers in workshops on "Managing A Small Business." Twenty weekly two- and three-hour sessions were held in cooperation with the University of Wisconsin Extension Division. Subject content for these programs included:

1. Keeping Good Records — How to Use Them
2. How to Manage Your Money
3. What Does It Take to Operate A Successful Business
4. Handling Your Business Taxes
5. How to Increase Sales
6. Effective Use of Outside Help
7. Speech and Sales Communication

Workshop sessions were conducted by staff from the University of Wisconsin Extension Division, Milwaukee Vocational, Technical & Adult Schools, and MSBOC. The sessions were designed for the participation of a maximum of 20 persons; however, the interest was so great that it was often necessary to exceed this limit.

The response to the workshops and training courses was very gratifying. The need for this type of program and the enthusiastic response prompted the University to schedule other sessions in May and June to accommodate those who wished to attend and could not be accommodated.

FRANCHISE

The development of franchise operations for this portion of the Milwaukee community was disappointing. Of the twenty applications reviewed for franchises as service stations owners, only three were approved.

Capital outlay for the more desirable franchises exceeded the repayment capabilities of applicants.

There was full recognition of the fact that the offer of management training and supervision which accompanies a franchise would have been most valuable to beginning operators. These opportunities would have helped to insure a profitable operation and would have contributed greatly toward acquiring the business background and owner equity required by SBA to make loans of this character in the poverty area.

BUSINESS OPPORTUNITIES AND URBAN RENEWAL

Time did not permit the exploitation of the opportunities for entrepreneurial activities in urban renewal. Starting from the premise that the amenities of urban living require a complete array of service, one recognizes immediately that urban renewal, in spite of its shortcomings, opens the door to economic opportunity in many and varied ways. This is particularly true for the Negro entrepreneur. The need for services of a growing population is great. Business leaders will find it difficult to sit back in isolated individual positions and allow economic events affecting them just to happen or pass them by.

In today's economy entrepreneurs have an opportunity to contribute to the growth of small businesses in urban centers. Urban renewal provides a natural opening for broader participation. Had the MSBOC program continued, this area of activity would have been both explored and exploited.

RESEARCH

One of the major purposes of MSBOC was to encourage and/or conduct research on local business and economic conditions. In this effort, the resources of local universities and colleges and all other research oriented organizations and agencies were to be utilized. With a view to implementing its responsibility in the area of research, MSBOC cooperated with the University of Wisconsin, University Extension, Department of Commerce, in a study of "The Negro Businessman in the Milwaukee North Inner Core."* The study was under the direction of Dr. Eddie V. Easley, and was undertaken for the purpose of providing insight into problems of the small business operator in a major target area of the city. Hopefully, the insights provided through the results of the study would also be used to attack problems in the area which is surrounded by general business prosperity.

Dr. Easley observed in his introduction to the study that "entrepreneurial activity has typically been the bootstrap by which ethnical groups have elevated themselves into the mainstream of American life. However, this has generally not been the case for the American Negro." He observes further that with some notable exceptions it appears that "many of the businesses in the Milwaukee core area are marginal enterprises. The businesses are built around a protected or ethnic clientele which has set the perimeter of the community. When these external forces are combined with such management restrictions as management skill and capital, the result is that many entrepreneurs are earning less for their labor than they might earn in alternative occupations."

Following is a summary and conclusions of the study:

Entrepreneurial activity, used to advantage by other urban ethnic groups, has generally escaped the American Negro as a means of elevating himself to the mainstream of American life. This study was undertaken to provide some facts and insights into the nature, scope, and depth of marginal entrepreneurial activity among the Negro business enterprises of Milwaukee's North Inner Core.

A cross-sectional sample of sixty-three business enterprises were investigated by a personal interview of the owner-managers. In addition, further information was gained by working with some fifty managers in two workshops conducted during the spring, 1966; by working closely with the Milwaukee Small Business Opportunities Corporation; and by personal visitation with other entrepreneurs not included in the sample. The findings of this investigation may be summarized as follows:

1. Out of a total of approximately 260 Negro-owned businesses, 200, or 77 per cent are in some phase of the service field, and eating and drinking retail trade. There are no businesses in manufacturing, if printing and publishing are excluded, and only several in wholesale operations.

*University of Wisconsin, University Extension, Commerce Dept., Madison, Wisconsin — \$1.50.

2. A great majority of the Negro businesses are relatively small-scale operations. The typical firm has an estimated net worth between \$10,000 and \$15,000; 1965 gross sales of \$24,000; employs three or less full-time employees; and uses part-time help for specialized operations and peak sales periods. Over two-thirds of the businesses are single proprietors; about one-fifth partnerships; and the remainder are incorporated or franchised operations of national corporations.
3. Key business ratios of gross annual sales to net worth were computed. The ratios for most businesses in this study are below the national norms for selected lines of businesses as published by Dun & Bradstreet, Inc. In general, this suggests that the firms in this study are undercapitalized and/or there is improper management of the available working capital.
4. Entrepreneurs in this study are younger, have less education and business experience, and possess less business heritage than entrepreneurs and business executives of at least two other studies. The typical entrepreneur in this study is male, married, 38 years of age, born in the South, and has a high school education. Only 3 per cent hold a college degree; on the other hand, about 21 per cent are not high school graduates.
5. The management problems of the entrepreneurs are numerous and varied, some of which are perceived, others not perceived but nevertheless existent. One of the crucial problems is the inability of some of the managers to discern what their problems are.
6. Major management concerns as cited by the respondents are finding and keeping competent employees, maintaining customers, inadequate working capital, management of credit, and selecting the proper stock of merchandise.
7. Problems relating to finding and keeping employees are rooted in the method of recruitment, inadequate training of employees, limited compensation and fringe benefits, and general absence of job motivational factors.
8. Although 91 per cent of the entrepreneurs provide for the keeping of records, there is some evidence of loose internal control within the business and limited use of the records for decision making. Three-fourths of the managers are not aware of the business profits or losses each month. About 43 per cent do not maintain a regular division of home and business finances. Only 36 per cent pay themselves a salary regularly out of the business. Budget plans for those who attempt to look ahead are vague and flexible.
9. Commercial banks are the most important source of borrowing for the entrepreneurs. About one-half of the entrepreneurs have secured a loan from commercial banks during their business tenure. Family and friends, loan companies, Small Business Administration, savings and loan, and parent companies were mentioned as other sources of capital. Attitudes toward their lending sources were generally favorable, except some negative expressions made toward loan companies. One-half of the users of loan companies would not use them again. In general, the businesses in the Core Area are confronted with a restricted capital market.
10. Sources of borrowing are correlated with types of enterprises, employment, size of firms, and net worth of firms. Of these three factors, a statistical significance is found between sources used and size of enterprises, measured by number of full-time employees. Greater use is made of commercial banks by the larger companies than expected from chance; on the other hand, smaller companies tended to use loan companies, SBA, and family and friends more than would be expected from chance alone. Apparently, larger companies, by virtue of their larger collateral position, are in a better position to secure commercial bank loans than the smaller, one- or two-man operations.
11. Few firms exploit to the fullest their potential from basic marketing and sales fundamentals, such as maintaining attractive shops, displaying of merchandise for impulse buying, proper selling techniques, and use of advertising.
12. Most entrepreneurs utilize the services of an accountant and a lawyer. Very few avail themselves of any other counseling services.

13. The general lack of enthusiasm for group activity is indicated by the fact that 60 per cent of the entrepreneurs do not hold membership in trade associations.
14. The general attitude of the entrepreneurs is slightly positive. However, when attitudes are analyzed by certain topical categories, almost perfect positive attitudes are found for consumer relations; neutral (not negative or positive) toward business expectations; and somewhat negative toward employees. The most negative attitude was expressed about the amount of freedom and responsibility which can be given employees.
15. The results of this study indicate clearly that entrepreneurs in the Core Area need outside help. Based on the responses for financial and management assistance during MSBOC's first year of operation and the number of registrations at the two workshops on managing a small business held during the Spring, 1966, entrepreneurs *do desire* outside help.

CONCLUSION

MSBOC in its almost two years of operation has made distinctive contributions to the small business community. Foremost among these has been the awakening of the larger business community to the responsibilities and the potentialities for economic development of this neglected section. This awakening has provided some solutions for many daily problems and was emphasized by the unparalleled support of MSBOC by the many community organizations and corporations that provided one-to-one counseling on a continuing basis. This phase of operation was just reaching a stage and scale capable of producing some economic impact in the area. This effort by many dedicated and knowledgeable persons does not lend itself to statistical analysis. However, instances where help was provided brought a gratifying response from the "little man." Extension of this type of service in future programs could produce real progress in a segment of society where a small percentage of improvement can mean a rise in the level of living standards.

One conclusion to be drawn from our experience is that the problems of the small businessman are as varied as their businesses. Lack of records, inventory, pricing, lack of motivation, lack of financing, lack of capital, personnel, and advertising are among items indicated as management problems for entrepreneurs. From the more than 1,000 persons interviewed only 38 were given financial assistance but many more were helped by counseling and management training and by *not* giving them financial assistance. The haste to initiate the loan program and the pressure exerted to produce "numbers of loans" resulted in failures that might be avoided in future programs by insistence on management training prior to financial assistance and other safeguards that can be made from the experience gained in the MSBOC operation.

One of the most basic facts of economic life in the poverty areas is the vicious circle of lack of credit that enmeshes the daily operations of business. The only available credit has been the loan companies that have traditionally exploited these areas. Through garnishment proceedings, attachments, and judgments they have tightened their grip on their customers who were denied access to normal credit sources in the first place, thus repeating the pattern. The Economic Opportunity Loan program offered to meet and alleviate in some degree this credit need. This could have strengthened these marginal operations and raised them to the level of bankable risks and made normal credit sources available to them.

The relatively short experience of MSBOC has demonstrated the overwhelming need for a service that could reach small business people on a level that they understand and with which they can communicate. Despite the imminence of closing of the MSBOC, some 76 persons contacted this office during February, 1967, seeking the kind of assistance that others had obtained. It was demonstrated that solutions to practical everyday problems could be better reached by a sympathetic community-based program than by a monolithic governmental-based department.

MSBOC was an instrument that bridged the gap between the larger business world and governmental agencies in their effort to find constructive solutions for some of the destructive elements at work among marginal businesses in the poverty area.

It is with sincere regret that we see the loss of a program that had so much to offer to that segment of society for which this need was greatest.

BY-LAWS OF
THE MILWAUKEE SMALL BUSINESS
OPPORTUNITIES CORPORATION

ARTICLE I

The principal office of the corporation in the State of Wisconsin shall be located in the City of Milwaukee, County of Milwaukee.

The registered office of the corporation required by the Wisconsin Non-Stock Corporation Law to be maintained in the State of Wisconsin, may be, but need not be, identical with the principal office in the State of Wisconsin, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II

Board of Directors

SECTION 1. General Powers. The activities of the corporation shall be managed by its Board of Directors.

SECTION 2. Tenure and Qualifications.

(A) Until such time as the number of directors hereinafter set forth shall be selected, the directors of the corporation shall be the initial directors named in the Articles of Incorporation who shall retire upon selection and certification of the permanent board hereinafter provided.

(B) The Board of Directors shall consist of not less than fifteen (15) nor more than twenty-five (25) persons who shall be designated as follows:

- (1) The University of Wisconsin-Milwaukee, Marquette University, the Milwaukee Adult & Vocational School, the Milwaukee Social Development Commission and the Milwaukee Urban League, acting through the chief officer of each, shall select two (2) directors each, the terms of whom shall be for a period of three years and until the designation of their respective successors. Successor directors shall be selected in the same manner as their respective predecessors.
- (2) A number of persons, not exceeding fifteen (15) shall be designated as directors by the initial directors hereinbefore named, such persons to serve as such directors for a term of one year from the date of such designation and certification of the initial Board of Directors.
- (3) The successors to the directors designated in accord with the terms of paragraph (B) (2) shall be selected for succeeding terms of one year by the vote of two-thirds of the then Board of Directors including therein the concurrence of six (6) of the directors designated in accord with the terms of paragraph (B) (1). In selecting the directors provided in paragraph (B) (a), the Board shall give primary, though not exclusive, consideration to persons affiliated with the Metropolitan Milwaukee Association of Commerce, the Small Business Administration (Wisconsin office), the Milwaukee County AFL-CIO, the City and County of Milwaukee, the Milwaukee United Community Service, the Milwaukee Branch of the National Association for the Advancement of Colored People, the Milwaukee Conference on Religion and Race, the Northside Community Inventory Conference, and such other local civic institutions and organizations as would be interested in the purposes of the corporation.
- (4) The number of directors to be selected in accordance with the terms of paragraph (B) (2) above, subsequent to the expiration of the terms of the directors selected by the initial Board of Directors, may be increased or decreased by the vote of two-thirds of the members of the Board of Directors including therein the concurrence of six (6) of the members designated in accord with the terms of paragraph (B) (1) above.

SECTION 3. Annual Meetings. The annual meeting of the Board of Directors shall be held on the third Monday in the month of April in each year beginning with the year 1966, at the hour of 8:00 p.m.

for the purpose of electing directors in accord with the terms of Article V, section (B) (2) of the Articles of Incorporation and for the transaction of such other business as may come before the meeting.

SECTION 4. *Regular Meetings.* The Board of Directors may provide, by resolution, the time and place for the holding of regular meetings without other notice than such resolution.

SECTION 5. *Special Meetings.* Special meetings of the Board of Directors may be called by or at the request of the President, Secretary or any five directors. The person or persons so authorized to call special meetings may fix any place as the place for holding any special meeting called by them.

SECTION 6. *Notice.* Notice of any special meeting shall be given at least 48 hours previously thereto by written notice delivered personally or mailed to each director at his business address, or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Whenever any notice whatever is required to be given to any director of the corporation under the provisions of these by-laws or under the provisions of the articles of incorporation or under the provisions of any statute, a waiver thereof in writing, signed at any time, whether before or after the time of meeting, by the director entitled to such notice, shall be deemed equivalent to the giving of such notice. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting and objects thereto to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of waiver of notice of such meeting.

SECTION 7. *Resignations and Vacancies.* A director may resign at any time by filing his written resignation with the Secretary of the corporation. Vacancies in the Board of Directors occurring by death, disqualification, removal or otherwise shall be filled in accord with the selection procedure set forth in Article II, Section 2 of these By-Laws with respect to that class of directors in which the vacancy occurs, and each person so selected shall serve as a director for the unexpired term of the director in whose stead he has been selected.

SECTION 8. *Quorum.* A quorum for the transaction of the affairs of the Board of Directors shall, after the resignation of the initial Board of Directors, consist of 50 per cent (50%) of the selected directors.

SECTION 9. *Manner of Acting.* The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by the articles of incorporation or these by-laws.

SECTION 10. *Presumption of Assent.* A director of the corporation who is present at a meeting of the Board of Directors or a committee thereof at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

SECTION 11. *Informal Action Without Meeting.* Any action required or permitted by the articles of incorporation or by-laws or any provision of law to be taken by the Board of Directors at a meeting or by resolution may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors then in office.

ARTICLE III

Officers

SECTION 1. *Number.* The principal officers of the corporation shall be a President, a Vice President, a Secretary and a Treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Direc-

tors. Any two or more offices may be held by the same person, except the offices of President and Secretary, and the offices of President and Vice President.

SECTION 2. *Election and Terms of Office.* The officers of the corporation shall be elected by the Board of Directors. The initial Board of Directors shall elect its own officers who shall hold office until the first meeting of the Board of Directors certified by the initial Board of Directors, and until the election of their respective successors. Thereafter the officers shall hold office for a term expiring at the next annual meeting of the Board of Directors and until the election of their respective successors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified or until his death or until he shall resign or shall have been removed in the manner hereinafter provided. No resignation of an officer shall become effective until thirty days after it has been on file in the principal business office of the corporation, provided, however, that the Board of Directors may accept a resignation at any time prior to the expiration of the thirty days. The said resignation shall become effective upon acceptance by the Board of Directors or upon the expiration of the said thirty days, whichever is earlier in time.

SECTION 3. *Removal.* Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment shall not of itself create contract rights.

SECTION 4. *Vacancies.* A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

SECTION 5. *President.* The President shall be the principal executive officer of the corporation and subject to the control of the Board of Directors, shall in general supervise and control all of the business and activities of the corporation. He shall, when present, preside at all meetings of the Board of Directors. He may sign, with the Secretary or any other proper officer of the corporation thereunto authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which are necessary and incidental to the continuance of the operation of the Corporation and which are executed by him on behalf of the Corporation in the usual course of its activities; and in general he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 6. *The Vice Presidents.* In the absence of the President or in the event of his death, inability or refusal to act, the Vice-President (or in the event there be more than one Vice President, the Vice Presidents in the order designated at the time of their election, or in the absence of any designation, then in the order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President.

SECTION 7. *The Secretary.* The Secretary shall: (a) keep the minutes of the Board of Directors meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these by-laws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all documents on which a seal is required, the execution of which on behalf of the corporation under its seal is duly authorized; (d) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

SECTION 8. *The Treasurer.* If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. He shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for monies due and payable to the corporation from any source whatsoever, and deposit all such monies in the name of the corporation in such banks, trust companies or other depositories as shall be selected in accordance with the provisions of ARTICLE IV of these by-laws; and (b) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

SECTION 9. *Salaries.* The salaries of the officers shall be fixed from time to time by the Board of Directors and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the corporation.

ARTICLE IV

Checks and Deposits

SECTION 1. *Checks, Drafts, etc.* All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

SECTION 2. *Deposits.* All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Board of Director may select.

ARTICLE V

Seal

The Board of Directors shall provide a corporate seal which shall be in such form as the directors shall prescribe.

ARTICLE VI

Amendments

The Board of Directors may from time to time, by the vote of a majority of its members, make, alter, amend and rescind all or any of the by-laws of this corporation, except where such action would violate any of the provisions of the articles of incorporation.

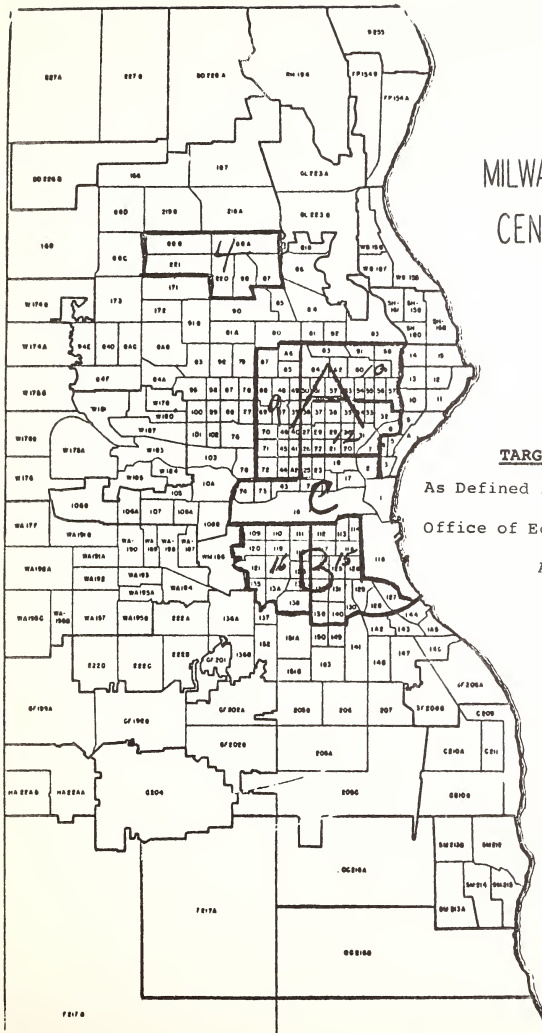
The above by-laws were adopted this 20th day of April, 1965.

Mary Woida, Secretary

MILWAUKEE COUNTY CENSUS TRACTS

TARGET AREAS - 1965

As Defined in CAP Applications
to
Office of Economic Opportunity
for
Assistance



TARGET AREA A

17,530 Household Heads, Annual Income Less Than \$3,000

(Approximations — Rounded to nearest 5)

5,575 Household Heads Less than 50 Years Old (31.8%)

18-24 Years Old — 840 (4.8%)

140 Males, married, no children8%
350 Males, married, with children	2.0
... Males, single*
70 Females, single, no children4
280 Females, single, with children	1.6

25-34 Years Old — 1950 (11.1%)

210 Males, married, no children	1.2
685 Males, married, with children	3.9
70 Males, single4
... Females, single, no children
985 Females, single, with children	5.6

35-49 Years Old — 2785 (15.9%)

280 Males, married, no children	1.6
420 Males, married, with children	2.4
... Males, single
630 Females, single, no children	3.6
1,455 Females, single, with children	8.3

11,955 Household Heads 50 Years and Older (68.2%)

50-64 Years Old — 3700 (21.1%)

985 Males, married, no children	5.6
280 Males, married, with children	1.6
210 Males, single	1.2
1,805 Females, single, no children	10.3
420 Females, single, with children	2.4

65 Years and Older — 8255 (47.1%)

4,225 Males, married, no children	24.1
210 Males, married, with children	1.2
280 Males, single	1.6
3,400 Females, single, no children	19.4
140 Females, single, with children8

ALL AGES — HOUSEHOLD HEADS — SINGLE FEMALES WITH CHILDREN

18-24 Years Old	280
25-34 Years Old	985
35-49 Years Old	1,455
50-64 Years Old	420
65 Years and Older	140

3,280

(18.7% of 17,520 Households)

*Divorced, Deserted, Separated, Widowed, Unwed

TARGET AREA B

7,870 Household Heads, Annual Income Less Than \$3,000

(Approximations — Rounded to nearest 5)

1,525 Household Heads Less than 50 Years Old	(19.4%)	
18-24 Years Old — 465	(6.8%)	
200 Males, married, no children		2.5%
65 Males, married, with children		.8
... Males, single*		...
135 Females, single, no children		1.7
65 Females, single, with children		.8
25-34 Years Old — 330	(4.1%)	
65 Males, married, no children		.8
65 Males, married, with children		.8
... Males, single		...
65 Females, single, no children		.8
135 Females, single, with children		1.7
35-49 Years Old — 730	(9.2%)	
200 Males, married, no children		2.5
65 Males, married, with children		.8
... Males, single		...
... Females, single, no children		...
465 Females, single, with children		5.9
6,345 Household Heads 50 Years and Older	(80.6%)	
50-64 Years Old — 2375	(30.2%)	
855 Males, married, no children		10.9
200 Males, married, with children		2.5
65 Males, single		.8
990 Females, single, no children		12.6
265 Females, single, with children		3.4
65 Years and Older — 3970	(50.5%)	
1,855 Males, married, no children		23.6
... Males, married, with children		...
135 Males, single		1.7
1,980 Females, single, no children		25.2
... Females, single, with children		...
ALL AGES — HOUSEHOLD HEADS — SINGLE FEMALES WITH CHILDREN		
18-24 years old		65
25-34 years old		135
35-49 years old		465
50-64 years old		265
65 years and older		...
		930
		(11.8% of 7,870 Households)

*Divorced, Deserted, Separated, Widowed, Unwed

TARGET AREA C

4,610 Household Heads, Annual Income Less Than \$3,000

(Approximations—Rounded to nearest 5)

1,515 Household Heads Less than 50 Years Old	(32.6%)	
18-24 Years Old — 340	(7.2%)	
... Males, married, no children		...
85 Males, married, with children		1.8
85 Males, single*		1.8
85 Females, single, no children		1.8
85 Females, single, with children		1.8
25-34 Years Old — 335	(7.2%)	
85 Males, married, no children		1.8
... Males, married, with children		...
85 Males, single*		1.8
... Females, single, no children		...
165 Females, single, with children		3.6
35-49 Years Old — 840	(18.2%)	
250 Males, married, no children		5.5
85 Males, married, with children		1.8
... Males, single		...
420 Females, single, no children		9.1
85 Females, single, with children		1.8
3,095 Household Heads 50 Years and Older	(67.3%)	
50-64 Years Old — 1085	(23.6%)	
165 Males, married, no children		3.6
250 Males, married, with children		5.5
85 Males, single		1.8
420 Females, single, no children		9.1
165 Females, single, with children		3.6
65 Years and Older — 210	(43.7%)	
500 Males, married, no children		10.9
... Males, married, with children		...
250 Males, single		5.5
1,260 Females, single, no children		27.3
... Females, single, with children		...
ALL AGES — HOUSEHOLD HEADS — SINGLE FEMALES WITH CHILDREN		
18-24 years old		85
25-34 years old		165
35-49 years old		85
50-64 years old		165
65 years and older		...

500

(10.8% of 4,160 Households)

*Divorced, Deserted, Separated, Widowed, Unwed

Robert H. Nilsen
Certified Public Accountant

To the Board of Directors
Milwaukee Small Business Opportunities Corporation

We have examined the accompanying financial statements of the Milwaukee Small Business Opportunities Corporation for the period ended March 31, 1967. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements fairly present the financial position at March 31, 1967 and the receipt and disbursement of cash for the period then ended of the Milwaukee Small Business Opportunities Corporation in conformity with generally accepted accounting principles.

Robert H. Nilsen

April 7, 1967

MILWAUKEE SMALL BUSINESS OPPORTUNITIES CORPORATION
BALANCE SHEET
MARCH 31, 1967

ASSETS

CURRENT ASSETS:

Cash in bank	\$1,254.81
Petty cash	130.00
Receivable from Economic Development Administration	4,383.05
Office supplies (Note 1)	-
Total current assets	<u>\$5,767.86</u>

FIXED ASSETS: (Note 2)

Office furniture and fixtures	\$ -
Leasehold improvements	-
Total assets	<u>\$5,767.86</u>

LIABILITIES AND SURPLUS

CURRENT LIABILITIES:

Accounts payable (Note 3)	\$ -
Employees' payroll tax deductions	967.75
Accrued payroll (Note 4)	-
Accrued payroll taxes (Note 5)	-
Total current liabilities	<u>\$ 967.75</u>

SURPLUS

	<u>4,800.11</u>
Total liabilities and surplus	<u>\$5,767.86</u>

The accompanying notes are an integral part of these financial statements.

MILWAUKEE SMALL BUSINESS OPPORTUNITIES CORPORATION
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD AUGUST 20, 1965 THROUGH MARCH 31, 1967

CASH RECEIPTS:

Area Redevelopment Administration (Note 6)	\$ 5,000.00
Economic Development Administration (Note 7)	<u>76,033.44</u>
Total receipts	<u>\$81,033.44</u>

CASH DISBURSEMENTS:

Salaries	\$58,666.23
Technical assistance	7,152.50
Office maintenance and rental	6,214.15
Office supplies	2,187.35
Telephone and telegraph	1,921.70
Payroll tax expense	1,562.24
Travel expense	1,460.97
Office machine rental	947.65
Insurance expense	472.86
Miscellaneous (net)	30.73
Total disbursements	<u>\$80,616.38</u>
Excess of receipts over disbursements	<u>\$ 417.06</u>

The accompanying notes are an integral part of these financial statements.

MILWAUKEE SMALL BUSINESS OPPORTUNITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Office supplies:

The Company maintains an inventory of office supplies. However, the Company has followed the policy of charging these supplies to expense as they are incurred.

Note 2 - Fixed assets:

Office equipment used by the Company has been donated or loaned by civic minded corporations or has been rented by the Company.

Leasehold improvements in the amount of \$881.35 were charged to office maintenance and rent when they were incurred and accordingly are not carried as an asset.

Note 3 - Accounts payable:

The Company has followed the policy of paying their obligations as they are incurred and not recording unpaid liabilities. The amount of unpaid liabilities would not materially effect the financial statements.

Note 4 - Accrued payroll:

The Company records their payroll when it becomes due not as earned. At March 31, there was approximately \$355 of payroll which had been earned and unpaid.

Note 5 - Accrued payroll taxes:

The Company recognizes payroll taxes as they are paid. At March 31 approximately \$350 was due for payroll taxes.

Note 6 - Area Recevelopment Administration:

The Company received \$5,000 from this agency early in 1965 to organize and develop its program.

Note 7 - Economic Development Administration:

The Company has been funded by this agency under a contract executed September 23, 1965. This contract has been extended to June 30, 1967. However, the Company has decided to cease operations as of March 31, 1967 and wind up its affairs by April 30, 1967. During this period a total of \$199.89 in disbursements was disallowed by the Economic Development Administration. These disbursements represented travel, interest and miscellaneous expenses not covered by the contract.

MILWAUKEE SMALL BUSINESS OPPORTUNITIES CORPORATION

Board of Directors

President

Rymund P. Wurlitzer, *Vice President*
First Wisconsin National Bank

Vice President

Kenneth C. Coulter, *Owner*
Milwaukee Star

Sheldon Blumenthal
Wisconsin Society of CPAs

Mrs. Helen Brachman
Henri's Food Products, Inc.

Edward Ciechanowski
Wisconsin Marine Bank

Walter F. Gast
Marquette University

Mrs. Ardie Halyard
Columbia Savings & Loan Assn.

Lawrence Hayes, *Regional Director*
Small Business Administration

Dr. Lawrence Howard
University of Wisconsin—Milwaukee

Reverend E. M. Kelly
Metropolitan Baptist Church

Lester Meyer, *Business Manager*
Bricklayers Local No. 8

Secretary

Orville Palmer
University of Wisconsin—Milwaukee

Treasurer

Edward W. Smyth
Wycliff Realty Corporation

James Miller
First Wisconsin National Bank

Calvin Moody
Supervisor, 2nd District

Clarence R. Parrish
Attorney-at-Law

John D. Roethle
Anderson, Roethle & Associates

Wesley L. Scott
Milwaukee Urban League

Kenneth Smith
Milwaukee Christian Center

Floyd TeKampe
Arthur Andersen & Company

Hugo Wangelin
Milwaukee Vocational & Adult Schools

Clemens Wisch
Milwaukee Vocational & Adult Schools

Staff

Corneff Taylor

Executive Director

J. W. Jones-Robinson
Management Training Coordinator

Carmel Conlon, *Receptionist*
(Resigned 7/66)

Gertrude Roman, *Receptionist*
(Resigned 10/66)

John F. Speer, *Business Counselor*

Minerva L. Towns, *Secretary*

Volina Boulware, *Receptionist*
(Resigned 9/66)

Shirlene Wilson, *Receptionist*

PENN STATE UNIVERSITY LIBRARIES



A000071289885